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FISCAL IMPACT STATEMENT

LS 6977

BILL NUMBER: HB 1343

NOTE PREPARED: Jan 9, 2012

BILL AMENDED:

SUBJECT: Department of Child Services Reporting; Kinship Caregiving.

FIRST AUTHOR: Rep. Summers

BILL STATUS: As Introduced

FIRST SPONSOR:

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Requires the Department of Child Services (DCS) to submit annually a report to the Legislative Council concerning turnover rates and information relating to the turnover of caseworkers.
- (2) Requires the DCS to submit annually:
 - (A) an affidavit affirming that each caseworker's caseload does not exceed the amount allowed under law; or
 - (B) if the DCS determines that a caseworker's caseload has exceeded the amount allowed under law at any time during the year, a report containing certain information regarding caseworkers' caseloads.
- (3) Provides that an appropriation to the DCS:
 - (1) does not revert at the end of any state fiscal year but remains available for the purposes of the appropriation in subsequent state fiscal years; and
 - (2) is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose except to assign or reassign, upon request, an appropriation to the DCS from one purpose to another purpose of the DCS.
- (4) Requires the DCS to establish a minimum of three kinship care navigator pilot projects to assist kinship caregivers with understanding and navigating the system of services for children in out-of-home care.
- (5) Requires the DCS to report annually to the Legislative Council and Governor on the implementation of the kinship care navigator pilot projects with recommendations on statewide implementation of the pilot projects beginning one year after implementation of the pilot projects.
- (6) Requires the DCS to:
 - (A) provide financial assistance for not more than six months to a kinship caregiver with whom the DCS has made an out-of-home placement of a child;

- (B) create certain written guidelines for kinship caregivers;
- (C) provide the written guidelines to each kinship caregiver before a child is placed with the kinship caregiver or at the time the child is placed with the kinship caregiver; and
- (D) assemble an advisory group to make recommendations concerning curriculum and information that should be provided in training courses for kinship caregivers, develop an appropriate curriculum for training courses for kinship caregivers, and administer training courses for kinship caregivers.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary:* The provisions of this bill are expected to increase DCS expenditures by \$45,000 per year to meet reporting and affidavit requirements affirming DCS caseworker caseload.

In addition, the following provisions of the bill are expected to increase DCS expenditures, but the actual increases are indeterminable at this time: (1) establishing a kinship care navigator pilot program and (2) providing assistance payments to kinship caregivers. Although total increases in state expenditures from these two provisions are not known with certainty, requiring the DCS to provide assistance payments to kinship caregivers is estimated to increase state expenditures by approximately \$8.15 M per year, depending on certain factors.

The bill also provides the following changes with regards to appropriations made to the DCS:

- (1) An appropriation made to the DCS does not revert to the General Fund at the end of the fiscal year.
- (2) An appropriation made to the DCS is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose except to assign or reassign, upon request, an appropriation to the DCS from one purpose to another purpose of the DCS.
- (3) The State Budget Agency (SBA) would be authorized to transfer funds between programs within the DCS for the purposes of meeting the critical needs of children and families in the state.
- (4) The DCS may not withhold or reduce a request for an allotment of an appropriated amount in order to revert or fail to expend an appropriation to the DCS.

This bill will reduce the amount reverted to the General Fund from unused appropriations made to the DCS. For FY 2011, the DCS reverted approximately \$104 M to the General Fund.

Additionally, the bill provides that appropriations made for DCS programs are designated only for those programs unless the DCS can prove a transfer is necessary for the critical needs of the children and families in the state. As a result of this provision, it is expected that less flexibility will be afforded to funding appropriated to the DCS for transfer to other funds.

Additional Information:

Reporting Requirements: The bill requires the DCS to report findings to the Legislative Council, and in certain cases, report findings to the Governor.

- (1) Annual turnover rates of caseworkers by region, with certain information if any region has a turnover rate in excess of 15%.
- (2) Affidavits affirming each caseworker's caseload does not exceed the amount allowed under IC

31-25-2-5.

(3) If at any time during the year a caseworker's caseload does exceed the amount allowed, a report detailing specific information.

(4) Annual reports detailing the implementation of the kinship care navigator pilot projects (required in the bill). This report is also required to be provided to the Governor.

The requirements of the bill are expected to increase the workload of the DCS. The DCS reports the first item is currently reported and depending on the information required, is expected to be absorbed by existing staff. The second and third items will require an additional staff position at a cost of approximately \$45,000 (salary and benefits). The fourth item is expected to increase workload and is expected to be absorbed by current staff.

Establishment of Kinship Care Navigator Pilot Project: The bill requires the DCS to establish a minimum of three kinship care navigator pilot projects in the state. A program is required to be established in northern Indiana, central Indiana, and southern Indiana. This requirement is expected to increase state expenditures to provide the three pilot programs. The DCS reports any increase in state expenditures to implement the kinship care navigator pilot project is currently indeterminable and will depend on administrative decisions.

The bill also requires the DCS to apply for any federal funding for the pilot program. The DCS reports there are no known federal funds available for the pilot program.

Kinship Assistance: The bill requires the DCS to provide financial assistance to kinship caregivers to whom DCS makes an out-of-home placement of a child. The bill is silent on the specific amounts of assistance that are to be provided to kinship caregivers, but the bill does specify that assistance payments begin when a child is placed with a kinship caregiver and cease at the earlier of (1) six months after assistance is first received, (2) when the caregiver begins to receive assistance as a licensed foster family home, or (3) at the time the child no longer resides with the caregiver.

The DCS reports payments made to foster parents range between \$18.88 and \$67.32 per day. The DCS also reports that per diem payments made to unlicensed kinship caregivers can not be claimed under the federal IV-E program, so the costs of these payments would come from state funds. Currently, 2,103 children are placed with unlicensed kinship care. Assuming the average payment made to foster parents (\$42.50) and an average kinship care placement to be 90 days, the estimated state cost of providing payments for kinship caregivers is \$8.15 M per year. The *maximum* increase in state expenditures to provide kinship assistance to all children placed in kinship care for a duration of six months is estimated to be \$25.3 M.

As this bill would increase state expenditures for kinship assistance, this bill is expected to decrease the rates at which the DCS currently utilizes kinship care. As a result, the DCS may increase the use of foster care and other services that are reimbursable by the federal government. It should be noted that although the *maximum* increase in state expenditures is estimated to be \$25.3 M, actual state expenditures may be substantially lower considering the possible effect this bill will have on DCS's child placement decisions as well as other factors already listed in this section.

Actual expenditures will depend on (1) the assistance amount provided by the DCS (which is expected to be lower than the \$67 maximum foster care per diem), (2) the total number of children who receive kinship care as the result of an out-of-home placement (which may be less than the 2,103 children currently placed in kinship care), and (3) the duration of kinship care provided to these children (which may be less than the six-month maximum eligibility for payment included in the bill).

Further, the bill requires the DCS to create and provide written guidelines to kinship caregivers detailing (1) the maximum amount of assistance available, (2) if the caregiver wishes to continue receiving assistance payments, they must become a licensed foster home (including information on how to receive this license), (3) that although the placement may be temporary, the caregiver should seek foster home licensure to ensure the caregiver receives assistance payments for as long as the child is placed with them (rather than the maximum of six months) and (4) information concerning kinship navigator pilot projects established by the bill. The DCS reports this requirement will increase staff workload. Increases in workload are expected to be absorbed under current staff and resource levels.

Other DCS requirements: Under the bill, the DCS is required to assemble an advisory group by September 1, 2012 to develop appropriate curriculum for kinship care training courses and administer training courses for kinship caregivers. The bill is silent on any payment made to advisory group members. Additionally, any training curriculum recommended by the advisory group is required to be provided by the DCS to kinship caregivers.

The DCS reports these provisions will increase DCS workload. Currently, the DCS administers training for foster parents, so the requirement that DCS establish curriculum (as recommended by the advisory group) and provide this training to kinship caregivers is expected to be provided under current staff and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DCS; SBA; State Board of Finance.

Local Agencies Affected:

Information Sources: Brady Brookes, DCS.

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